

BRAE CORPORATION

RECORDATION NO. 9837-B Filed 1425

NOV - 8 1982 12 45 PM

INTERSTATE COMMERCE COMMISSION

2-312A072

No.

Date NOV 8 1982

Fee \$ 10.00

ICC Washington, D. C.

RECEIVED
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November 3, 1982

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
12th & Constitution, Room 2215
Washington, D.C. 20423

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303 are 1 original and six copies of the following document:

Equipment schedule No. 3, dated as of September 29, 1982 to the Lease Agreement dated as of March 1, 1978 between BRAE Corporation and the Oregon & Northwestern Railroad Co.

This document relates to up to 50, 60-100 ton bulkhead flat cars.

The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

LESSOR: BRAE Corporation
Four Embarcadero Center - Suite 3100
San Francisco, CA 94114

LESSEE: Oregon & Northwestern Railroad Co.
200 South Michigan Avenue
Chicago, Illinois 60604

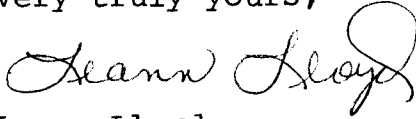
It is requested that this document be filed and recorded under the names of the parties as set forth above. In view of the fact that it relates to a Lease Agreement dated as of March 1, 1978 between BRAE Corporation and the Oregon & Northwestern Railroad Co. previously recorded and assigned recordation number 9837, we request that it be assigned the next available letter designation under that primary number.

I also enclose a check in the amount of \$10.00 for the required recordation fee.

Please return: (1) your letter acknowledging the filing, (2) a receipt for the \$10.00 filing fee paid by check drawn on this firm, (3) the enclosed copy of this letter and (4) the original and five copies of

the document (retaining one copy for your files) all stamped with your official recordation information.

Very truly yours,

A handwritten signature in cursive script, reading "Leann Lloyd". The signature is written in dark ink and is positioned above the typed name.

Leann Lloyd
Legal Assistant
(415) 951-1555

LL/es

cc: Al Dossa

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

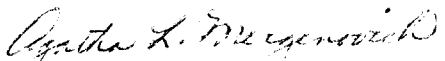
Leann LLOYD
Legal Asst.
Brae Corporation
Four Embarcadero Cntr.

November 8, 1982

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/8/82 at 12:45PM, and assigned re-recording number(s). 9837-B

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

September 29, 1982

EQUIPMENT SCHEDULE NO. 3

RECORDATION NO. 9837-B
Filed 1420

NOV - 8 1982 12 45 PM

INTERSTATE COMMERCE COMMISSION &

BRAE Corporation ("BRAE") hereby leases the following railcars to Oregon & Northwestern Railroad Co. ("ONW") pursuant to that certain lease Agreement dated as of March 1, 1978 (the "Lease").

1. <u>Number of Cars</u>	<u>Description</u>	<u>A.A.R. Designation</u>	<u>Car Numbers</u>
Up to 50	60-100 ton Bulkhead Flat Cars	FB	(To follow)

2. Term.

A. The term of the Lease with respect to all of the Cars described on this Equipment Schedule No. 3 (the "Additional Cars"), shall commence upon the date upon which the Additional Cars are remarked with ONW railroad markings and shall continue until March 31, 1984 (the "Expiration Date").

B. If the Lease with respect to the Additional Cars has not been earlier terminated and no default has occurred and is continuing, ONW may upon 60 days prior written notice to BRAE extend the term of the Lease with respect to the ~~Additional Cars~~ Additional Cars from the Expiration Date for not more than four consecutive periods of six months each with respect to all of such ~~Additional Cars~~ Additional Cars.

C. For so long as ONW does not terminate the Lease with respect to all of the Additional Cars, BRAE hereby agrees that it will waive any right it may have under Section 6C of the Lease, and under the first sentence of Section 6E of the Lease, to terminate the Lease with respect to any of the 250 boxcars described in Equipment Schedules 1A and 1B of the Lease; and ONW hereby agrees that, for so long as Utilization of such 250 boxcars is less than 87.5%, it will consent to any assignment or sublease of such boxcars which BRAE may request. If BRAE terminates the Lease ~~with respect to any of the 250 boxcars described in Equipment Schedules 1A and 1B of the Lease~~, BRAE hereby agrees that it will continue to waive any right it may have under Section 6C of the Lease, and under the first sentence of Section 6E of the Lease, to terminate the Lease with respect to any of the 250 boxcars listed on Equipment Schedules 1A and 1B of the Lease until the Expiration Date, if such termination occurs during the initial term of the Lease with respect to the Additional Cars, or until the expiration of the then current six month extended term period if such termination occurs during one of the six months extended term periods.

3. Earlier Termination. The ONW may upon 60 days prior written notice to BRAE terminate the Lease with respect to the Additional Cars, upon the happening of any of the following events:

I. The sale by ONW of all of its assets to a third party; or

* such that fewer than 25 Additional Cars are subject to the Lease

** remaining

II. Abandonment by ONW of its railroad operations; or

III. The purchase by a third party of all ONW stock.

4. Sale of ONW Stock

If all ONW stock is sold to a third party who retains the same corporate identity and assumes the Lease with respect to the Additional Cars, BRAE hereby agrees that it will waive, for so long as the Additional Cars are subject to the Lease, any right it may have under Section 6C of the Lease and under the first sentence of Section 6E of the Lease, to terminate the Lease with respect to any of the 250 boxcars described in Equipment Schedules 1A and 1B of the Lease, and ONW hereby agrees that, forso long as the Additional Cars remain subject to the Lease, and Utilization of such 250 boxcars is less than 87.5%, it will consent to any assignment or sublease of such boxcars which BRAE may request.

5. Lease Rental. Utilization, as that term is defined in the Lease, shall be calculated separately with respect to the Additional Cars. In the event Utilization, with respect to the Additional Cars, exceeds 70 percent in any calendar year, BRAE shall receive an amount equal to the Base Rental, plus an amount equal to one-half of all payments in excess of the Base Rental, and ONW shall also receive an amount equal to one-half of all Payments in excess of the Base Rental. For the purposes hereof, Base Rental shall be an amount equal to the total Payments, as that term is defined in the Lease, for the calendar year, multiplied by a fraction, the numerator of which is 70 percent and the denominator of which is the Utilization for such calendar year. (The above provisions insures that the ONW will, if Utilization is greater than 70 percent in any calendar year, receive one-half of all Payments in excess of the Base Rental. However, the ONW shall not receive such Payments until such time as BRAE has retained from revenue otherwise due ONW hereunder an amount equal to the actual cost of remarking the Additional Cars. In no event, shall BRAE be entitled to more than the actual revenues generated by the Additional Cars in any calendar year.

6. Other Terms. BRAE and ONW hereby incorporate by reference all of the terms, conditions and provisions of the Lease except as modified herein.

IN WITNESS WHEREOF, the parties have each caused their respective duly authorized officers to have executed this Schedule as of the date first written above.

BRAE CORPORATION

BY 

Printed Name William J. Texido

Title President

OREGON & NORTHWESTERN RAILROAD CO.

BY 

Printed Name Richard D. Denison

Title Vice President

STATE OF ILLINOIS

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) SS.

COUNTY OF COOK

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On this 29th day of September, 1982, before me personally appeared Richard D. Denison, to me personally known, who, being by me duly sworn, did depose and say that he is the Vice President of OREGON & NORTHWESTERN RAILROAD CO., the corporation which executed the above instrument, that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.

Beverly L. Lato
Notary Public

(seal)

My Commission Expires: 9/23/85

STATE OF CALIFORNIA

)

) SS.

COUNTY OF SAN FRANCISCO)

On this 12th day of October, 1982, before me personally appeared William J. Texido, to me personally known, who, being by me duly sworn, did depose and say that he is the President of BRAE CORPORATION, the corporation which executed the above instrument, that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.



(seal)

Nancy M. Derry
Notary Public

My Commission Expires: July 30, 1984